



COUNTY OF LOS ANGELES
Public Health

JONATHAN E. FIELDING, M.D., M.P.H.
Director and Health Officer

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July 31, 2012

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H.
Director and Health Officer

SUBJECT: **NOTIFICATION OF THE USE OF DELEGATED AUTHORITY TO EXECUTE AN AMENDMENT TO STANDARD AGREEMENT NUMBER 10-NNA-19 WITH THE STATE DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

This is to notify you that I am exercising the delegated authority approved by your Board on June 15, 2010, to accept and execute future amendments to the Combined Negotiated Net Amount (NNA) and Drug/Medi-Cal (D/MC) Standard Agreement with the State Department of Alcohol and Drug Programs (SDADP) to roll over any unused funds as allowed; or to increase or decrease the State allocation by no more than 25 percent, as directed by the State, subject to review and approval by County Counsel and the Chief Executive Office (CEO), and notification to your Board.

On June 15, 2010, your Board authorized the Department of Public Health (DPH) to execute the Combined NNA and D/MC Standard Agreement (SA) Number 10-NNA-19 with SDADP in the amount of \$418,054,209, for fiscal years (FY) 2010-13 (\$139,351,403 each FY), to support the continued provision of alcohol and drug prevention and treatment services. During FY 2010-11, SDADP executed an internal budget modification, transferring \$3,050,166 from FY 2012-13 to FY 2010-11 with no net change to the total agreement amount.

On March 15, 2012, I notified your Board that I was exercising delegated authority to accept a FY 2011-12 Amendment to the SA, decreasing the three-year agreement total amount by \$91,774,468, from \$418,054,209 to \$326,279,741. This decrease consisted of an \$18,380,271 decrease in FY 2011-12 funds and a \$73,394,197 decrease in FY 2012-13 funds. Overall funding from the State has not been significantly decreased, however, as realignment funding will be provided in lieu of State General Funds.

Under the above referenced delegated authority, I will accept a FY 2012-13 Amendment to the SA, increasing the three-year agreement total amount by \$27,656,083 from \$326,279,741 to \$353,935,824. This increase is the net effect of a \$10,168,261 decrease in FY 2011-12 funds and a \$37,824,344 increase in FY 2012-13 funds. Attachment A provides a funding summary of the three-year Agreement.

Each Supervisor
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This Amendment also implements: 1) an Absolute Assignment of the DMC Program component from SDADP to the Department of Health Care Services (DHCS) due to the State's cost-saving governmental reorganization measures; and 2) a Contingency Assignment of the entire Agreement from SDADP to DHCS in the event that the FY 2012-13 Budget Act authorized the elimination of SDADP. As the FY 2012-13 Budget Act did not authorize the elimination of SDADP, the assignment of only the DMC Program component to DHCS, effective July 1, 2012, will ultimately result in the execution of two separate contracts with the State: 1) an Agreement with SDADP for non-DMC funding; and 2) an Agreement with DHCS for DMC funding.

County Counsel has reviewed and approved the Amendment as to use. County Counsel and the CEO have reviewed and approved this delegated authority action.

If you have any questions or need additional information, please let me know.

JF:rdt
#02372

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

ATTACHMENT A

DEPARTMENT OF PUBLIC HEALTH STATE AGREEMENT WITH THE COUNTY OF LOS ANGELES STANDARD AGREEMENT NUMBER: 10-NNA-19

Total Fiscal Impact:

		<u>Original</u>		<u>Amendment No. 1</u>		<u>Amendment No. 2</u>		<u>Variance</u>
Fiscal Year 2010-11	\$	142,401,569	\$	142,401,569	\$	142,401,569	\$	-
Fiscal Year 2011-12		139,351,403		120,971,132		110,802,871		(10,168,261)
Fiscal Year 2012-13		136,301,237		62,907,040		100,731,384		37,824,344
Total	\$	<u>418,054,209</u>	\$	<u>326,279,741</u>	\$	<u>353,935,824</u>	\$	<u>27,656,083</u>

Total Contract by Funding Source:

		<u>State Funds</u>		<u>Federal Funds</u>		<u>Federal Drug Medi-Cal</u>		<u>Total</u>
Fiscal Year 2010-11	\$	44,057,335	\$	61,500,442	\$	36,843,792	\$	142,401,569
Fiscal Year 2011-12		1,044,822		61,372,125		48,385,924		110,802,871
Fiscal Year 2012-13		1,584,915		61,322,125		37,824,344		100,731,384
Total	\$	<u>46,687,072</u>	\$	<u>184,194,692</u>	\$	<u>123,054,060</u>	\$	<u>353,935,824</u>